

JOURNAL ENTRY DETAIL REPORT

Unit: 110
Journal ID: STORMDEFER ✓
Date: 7/31/2015 ✓
Journal status: V
Description: Deferral of Kentucky Incremental O&M Costs exceeding base rates for March 2015 snow storm and July 2015 Thunder Storm. ✓

Ledger Group: ACTUALS
Source: ONL
Reversal: N ✓
Reversal Date:

Foreign Currency: USD
Rate Type: CRRNT
Effective Date: 7/31/2015
Exchange Rate: 1.00
Trans Ref Num: NONREC ✓

Line #	Unit	Account	Department	State/Jurisdiction	Product	Affiliate	Project Bu	Stat	Project	Work Order	Rate Type	Rate	Cost Comp	Foreign Amount	ABM Activity	Sub-Cat	Base Amount
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110		1823078	13027	KY			2				CRRNT	4,377,336.00	999	4,377,336.00	334		4,377,336.00
	Description:	Deferred Storm Expense							DMS15KK07	G0000110		1.00000000		4,377,336.00	USD		4,377,336.00
											Open Item Key:						
	Description:	Mar & Jul 2015 Storm Costs							DMS15KK07	G0000110		1.00000000		-4,377,336.00	USD		-4,377,336.00
											Open Item Key:						

NAME/DATE
Prepared: 9/2/2015
Reviewed: GM 8/5/15
Posted: _____

Fst
8/5/15

Case No. 2016-00180
Commission Staff's Second Set of Data Requests
Order Dated July 27, 2016
Item No. 2
Attachment 3
Page 1 of 9

Reasonable - Better precision by end of Q3 2015, when invoices are received.
B. Fulk

Kentucky Power Company
 Major Storm Cost Deferral
 Period Ending 7/31/15

	3/14/15 Snow Storm (1)	7/13/15 Thunder Storm (2)	Total Deferral
Total Major Storm Cost (Cap & O&M)	\$ 1,434,437	\$ 6,817,119	\$ 8,251,556
Less:			
ST Labor	\$ 84,723	\$ 82,455	
ST Fringes and Overheads	\$ 104,189	\$ 101,400	
Fleet	\$ 124,015	\$ 175,567	
DHE Internal Labor	\$ 44,149	\$ 116,294	
Incremental Major Storm Cost	\$ 1,077,361	\$ 6,341,403	
O&M Percentage	71.57%	83%	
Incremental O&M Major Storm Cost	\$ 771,067	\$ 5,263,364	\$ 6,034,432
Less:			
Major O&M Storm Cost in Base Rates			\$ 1,608,410
Major O&M Storm Cost exceeding Base Rates			\$ 4,426,022
Retail Allocation Factor			98.9%
Retail Major O&M Storm Costs exceeding Base Rates			\$ 4,377,336

(1) All costs are actual
 (2) Most of the costs are still estimates

Jeanna M Overstreet

From: Jennifer C Mohler
Sent: Friday, July 31, 2015 7:19 AM
To: Jeanna M Overstreet
Subject: FW: KY Storm Deferral
Attachments: 2015 Major Storm Cost Estimate for Deferral.xls

From: Bradley M Funk
Sent: Thursday, July 30, 2015 2:22 PM
To: Jerri-Lynn Ruggiero; Jennifer C Mohler
Subject: FW: KY Storm Deferral

There will be a storm deferral that we need to record in July business. We'll talk more on Monday about this.

One thing we need to make sure we do is verify that the storm costs for the July storm actually get accrued.

Thanks,

Brad

From: Ranie K Wohnhas
Sent: Thursday, July 30, 2015 2:05 PM
To: Thomas E Mitchell; Jeffrey L Brubaker; Scott Travis; Bradley M Funk
Cc: Lloyd E Keyser
Subject: KY Storm Deferral

Guys,

Attached is our best estimate at this point and time as to the amount of deferral to book as of the end of July. The first storm is all actuals and as you know there are mostly estimates for the second storm. We can update our numbers each month as actuals come in and let you guys decide if the deferral needs to change monthly or at the end of 3rd quarter.

Any questions you can call me on my cell phone for the rest of today or tomorrow.

Jeanna M Overstreet

From: Jennifer C Mohler
Sent: Friday, July 31, 2015 7:18 AM
To: Jeanna M Overstreet
Subject: FW: KY Storms

From: Bradley M Funk
Sent: Thursday, July 30, 2015 2:43 PM
To: Jerri-Lynn Ruggiero; Jennifer C Mohler
Subject: KY Storms

FYI

From: Thomas E Mitchell
Sent: Thursday, July 30, 2015 12:11 PM
To: Joseph M Buonaiuto; Lonni L Dieck
Cc: Oliver J Sever JR.; Michael A Baird; Scott Travis; Ranie K Wohnhas; John J Scalzo; Steven H Ferguson; Bradley M Funk; Tyler H Ross; Jeffrey L Brubaker; Roger L Heslep
Subject: RE: 2015

Yes, absolutely, following the Kentucky precedent we used in 2012 where we deferred first and then got the approval order, as long as costs are deemed prudent and reasonable, we have ability to defer in the period incurred as long as we believe we meet probability.

Scott, Jeff, Tyler, Brad and I have talked to Ranie and he is comfortable deferring in July an estimated amount that exceeds the incremental major storm costs built into rates.

Jeff B and Tyler have talked to John S and Steve F and they are considering deferral but it is only a minor amount (estimated range of \$1-2M very rough estimate), and they are evaluating the order that speaks of "extraordinary storm expenses" so we may not defer at this time given the magnitude.

From: Joseph M Buonaiuto
Sent: Thursday, July 30, 2015 10:33 AM
To: Lonni L Dieck
Cc: Oliver J Sever JR.; Thomas E Mitchell; Michael A Baird
Subject: Re: 2015

Yes ... Tom do you agree? The process for the request is not determinative ... It is success with similar requests in the past.

Sent from my iPhone

On Jul 30, 2015, at 7:11 AM, Lonni L Dieck <lldieck@aep.com> wrote:

so is it precedence that allows us to defer in 2015? the arent going to file for deferral ability until early 2016

On Jul 30, 2015, at 10:03 AM, Joseph M Buonaiuto <jmbuonaiuto@aep.com> wrote:

We plan to book storm deferral in KY of approximately \$4-4.5 million. Also APCO WV is under consideration for possible storm deferral now. Cook insurance still being evaluated.

On Jul 30, 2015, at 4:03 AM, Oliver J Sever JR. <ojsever@aep.com> wrote:

<image001.gif>

Any progress on determining when or if we will be deferring storms in KY and recording insurance proceeds for Cook. I suspect both these items to be larger than weather for July.

<image001.gif>



Report ID: GLC7501

JOURNAL ENTRY DETAIL REPORT

AEP Financials

Page No. 1
Run Date 3/31/2016
Run Time 9:51:27 AM

Unit: 110
Journal ID: STORMDEFER
Date: 3/31/2016
Journal status: V
Description: Adj. Deferral of Kentucky incremental O&M Costs.

Ledger Group: ACTUALS
Source: ONL
Reversal: N
Reversal Date:

Foreign Currency: USD
Rate Type: CRRNT
Effective Date: 3/31/2016
Exchange Rate: 1.00
Trans Ref Num: NONREC

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110																	
Total Lines: 2																	
Total Base Debits: 381,439.90																	
Total Base Credits: 381,439.90																	
1	110	1823078	13027	KY			DISTR		000022252	G0000110	CRRNT	1.00000000	999	381,439.90	USD		381,439.90
		Description:	Deferred Storm Expense		Reference:				Open Item Key				334				
2	110	5930000	13027				DISTR		000022252	G0000110	CRRNT	1.00000000	999	-381,439.90	USD		-381,439.90
		Description:	Adj Storm Deferral		Reference:				Open Item Key				334				

NAME/DATE
 Prepared Y. Gao 3/30/16
 Reviewed JGM 4/1/16
 Posted _____

Kentucky Power Company
 Major Storm Cost Deferral
 Period Ending 12/31/15

	3/4/15 Snow Storm	7/13/15 Thunderstorm	Total Deferral
Total Major Storm Cost	\$ 1,450,406	\$ 7,744,052	
Less:			
ST Labor	84,723	132,045	
ST Fringes and Overheads	104,196	167,598	
Fleet	124,039	195,991	
DHE Internal Labor	44,149	116,294	
Incremental Major Storm Cost	\$ 1,093,299	\$ 7,132,124	
O&M Percentage	67.75%	73.78%	
Incremental O&M Major Storm Cost	\$ 740,679	\$ 5,261,860	\$ 6,002,539
Less:			
Major O&M Storm Cost in Base Rates			1,243,763
Major O&M Storm Cost exceeding Base Rates			\$ 4,758,775.90 ✓
		Booked	4,377,336.00 ✓
		Entry	\$ 381,439.90 ✓

Jeanna M Overstreet

From: Jennifer C Mohler
Sent: Thursday, March 31, 2016 9:09 AM
To: Jeanna M Overstreet; Jerri-Lynn Ruggiero; Jon D Holtzmuller
Subject: FW: KY Storm Deferral
Attachments: 2015 Major Storm Cost Estimate for Deferral_021216.xlsx; 2015_Increm O&M Exp Calculation_Major Events_Storm 2 & 7_FOR DEFERAL.xlsx

Jeanna – Please adjust KPCo deferral in 1823078 as we discussed. You will also need to prepare a SAB108 entry.

Jerri and Jon – The \$4.4M deferral related to the July 2015 Thunder storm will be increased to \$4.8M this month. The \$4.4M was recorded as an estimate back in 3Q15.

Thanks,
Jenny

From: Ranie K Wohnhas
Sent: Thursday, March 31, 2016 9:03 AM
To: Jennifer C Mohler
Subject: RE: KY Storm Deferral

Attached is two files, one that is similar to what we provided earlier and one is the details. As you can see the amount we will ask for as a deferral increased to \$4.76M. I can discuss the changes if you so choose and we had planned to file for that deferral by the end of March, however, there are a couple of reasons for a slight delay and our plan is now to file around mid April. Again, call if you would like to discuss further.

From: Jennifer C Mohler
Sent: Thursday, March 31, 2016 8:16 AM
To: Ranie K Wohnhas
Subject: FW: KY Storm Deferral

Follow up to my email earlier.....this is the spreadsheet we used to defer the \$4.4M in storm costs into 1823078.

From: Bradley M Funk
Sent: Thursday, July 30, 2015 2:22 PM
To: Jerri-Lynn Ruggiero; Jennifer C Mohler
Subject: FW: KY Storm Deferral

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Cc: Lloyd E Keyser
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